(c) whether Government had issued orders for rounding off paise to the nearest rupees about ten years back but the same has not been implemented so far; and

(d) if so, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHAJRAJ): (a) Yes, Sir.

(b) Shortage is due to limited capacity of our Mints and Security Presses. The Mints and Presses are being modernised to augment their capacity. Two new Security Printing Presses are also being set up by Reserve Bank of India. As a short term measure, Government has decided to import coins and currency notes.

(c) and (d) Yes, Sir. Orders for rounding off were issued in June, 1986. The orders have been implemented and fraction of a Rupee does not now appear in Government Accounts.

'Unclaimed' amounts lying with NBFCs

722. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that large number of Non-Banking Financial Companies have huge amounts lying with them as 'unclaimed' or 'forfeited' deposits;

(b) if so, whether any effort has been made to find out the amount of these "unclaimed" and "forfeited" deposits and with what result;

(c) if no effort has been made so far, the reasons therefor and whether there are any plans to do so now; and

(d) whether Government or RBI are thinking of devising any means to ensure that such NBFCs are not allowed to do any other business except "Finance"?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ): (a) to (c) As per the information gathered from the Annual Returns for the year ending March, 1996, submitted to Reserve Bank of India (RBI) by 10,194 Non-Banking Financial Companies (NBFCs), 524 companies reported, aggregate of Rs. 119 crores as unclaimed deposits which formed 0.26% of the total regulated deposits of Rs. 45,440 crores held by these NBFCs. The figure of unclaimed deposits relates to regulated deposits which include public deposits, non-convertible debentures and inter-corporate deposits. NBFCs are not expected to forfeit deposits and Residuary Non-Banking Companies (RNBCs) have been specifically precluded from forfeiting any deposits.

(d) There is no such proposal under consideration.

Steps to check frauds by NBFCs

723. SHRI NARENDRA MOHAN: Will the Minister of FINANCE be pleased to state:

(a) whether the CRB episode highlights the fact that regulators have not been able to keep pace with the rapid changes in the financial sector especially the NBFCs;

(b) to safeguard the interest of the depositors especially with Non-Banking Financial Companies whether a foolproof method against frauds has been evolved; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHAJRAJ): (a) Reserve Bank of India (RBI) have reported that even before the CRB episode surfaced, they were already seized of the inadequacy of the legislative framework to effectively control and regulate NBFCs. Accordingly, Reserve Bank of India Act has been amended in 1997 to provide RBI with more powers.

(b) and (c) RBI have been reviewing/revising on an on-going basis the supervisory measures to prevent possible frauds and other malpractices and to safeguard the interest of the depositors.